Evaluation of Banks' and Customers' Perception towards the adoption of Sustainable Banking Practices in the select Indian Commercial Banks

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By

Sina E.S.

(20PHCOF006)

Supervisor

Dr. D. Vennila

Associate Professor

Department of Commerce

Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore

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Introduction:

The integration of sustainable practices into business operations and investment decisions depicts a commitment to a sustainable future. The adoption of sustainable practices in business operations and investment decisions depicts a commitment to a sustainable future. The policies and regulatory interventions are helping in sensitising the market players, ensuring their operations are sustainable. This validates a climate-focused initiative, namely the Net-Zero. India is striving to address climate change and achieve Net Zero by 2070 by promoting responsible consumption and a low-carbon strategy. The Government of India focuses on solar development projects and investments in renewable energy financing. In the Union budget 2023-'24, substantial importance is given to "Green growth"- a transition to Net-zero by green energy adaptation, enhancing climate resilience and fostering the growth of bioeconomy. Since India forefronts its effort to contest Climate risk, Indian banks are geared up to play a leading role in facilitating the transition, with an unwavering commitment to sustainability.

Sustainability usually means reducing the use of plastic packaging, implementing recycling programmes, and changing our consumption habits. It has not been connected to financing until lately. Profiting from monetary transactions was universally acknowledged as the driving force for financial institutions across the globe. The concept of environmentally friendly banking entails a mentality change from focusing on profit maximisation regardless of the impact on society and the environment to acknowledging that environmental and social expenses must be considered when developing financial services and regulation**.**

Sustainable banking, a rapidly emerging priority, deeply rooted in Responsible banking and societal values, shapes public policy and expectations, and investing and financial practices prioritising environmental sustainability, social accountability, and reliable governance of businesses over profitability. Sustainable banking is an integral piece to meet the needs of today's people without compromising the ability of future generations to meet their own needs. Financial institutions are increasingly concerned with ESG frameworks and sticking to ESG metrics while making lending (Sustainable finance) and investment decisions. Adopting Sustainability in the banking sector refers to the Bank's commitment to integrating sustainable practices within its operations and extending its efforts beyond its boundaries to impact the economy, society, and environment positively. For this, banks integrate ESG metrics into lending (Sustainable finance) and investment decisions. This validates a climate-focused initiative, namely the Net-Zero.

Sustainable banking practices entail encouraging eco-friendly behaviours and lowering the carbon footprint of banking operations. It can take many forms, such as using online banking instead of

visiting bank branches, paying bills online, creating money market and commercial deposit accounts with e-banks, etc. These initiatives will help to reduce carbon emissions and less the usage of paper.

Banks can embrace environmental sustainability in two distinct ways: initially, by integrating social and environmental consciousness into their daily activities. It can be achieved by implementing environmentally friendly campaigns, such as electronic financial services, waste minimisation, energy efficiency methods, social development programs, monetary inclusion programs, financial literacy, and social welfare efforts. Secondly, they integrate social and environmental factors into the Bank's primary business plan (e.g., creating green financial services, integrating Environmental and social aspects into financing operations, etc.). The financial institution has recently started offering its clients various paperless banking options. By using these habits, customers can make significant environmental contributions . The demand for more environmentally friendly profit growth worldwide is giving the banking sector a chance to lead the way in disclosing a steady growth perspective.

The Paris Climate Protection Agreement in 2015 agreed to promote economic development through sustainable finance. Investing in sectors like energy production, including solar energy, on and offshore windmills, hydropower, and broader energy services, is a popular approach to achieve net zero by reducing greenhouse gas emissions. Banks, as the financing agent of the world's economic and developmental activities, have become a significant factor in this financing option. Each year, trillions of dollars of currency flow through the banks to fund the growth of various industries, from agriculture to housing. For this, banks must first ensure they can measure the carbon emissions generated by their operations and the companies they finance to accomplish the net-zero goals by reducing greenhouse gas emissions through responsible and inclusive lending.

Operational definitions:

Review of Literature:

(Trehan, 2015) conducted an evaluative survey of sustainable banking in India. This study aims to evaluate the role and impact of sustainable banking in Indian banking systems and practices. The concept of green banking pertains to promoting environmentally friendly practices and reducing the carbon footprint in banking activities were examined using descriptive analysis. This approach not only ensures that industries become more environmentally conscious but also helps improve the quality of assets for banks in the future. (Shaumya, K.; Arulrajah, 2016) researched measuring sustainable banking Practices. This study was conducted with evidence from banks in Sri Lanka. This examination aspires to explore sustainable banking practices in Sri Lanka and develop an instrument to measure sustainable banking concepts/practices. The content analysis approach was used in the present investigation and is descriptive. (Rifat, A.; Kabir, M.; Rahman, 2016) investigated commercial banks' contributions to embracing sustainable banking from Bangladesh's perspective. This study examines the bankers' attitudes toward adopting sustainable banking initiatives in Bangladesh using the Unified Theory of Acceptance and Use of Technology (UTAUT) model in commercial banks. This study has

been done as an empirical study using SPSS tools, and this article is qualitative. This research has confirmed strong connections between factors such as performance expectancy, effort expectancy, social competition, environmental concerns, central bank regulations, and how bankers in Bangladesh perceive and use green banking. The findings suggest that bankers have a positive outlook toward incorporating green banking into their work activities.

(Jatana, R.; Jain, 2016) conducted a study on the perspective of customers in Rajasthan on green Banking. This paper has been written to check consumer awareness of sustainable banking services in selected public and private sector banks in Rajasthan, on a secondary data-based study. It is descriptive and has a qualitative and quantitative analysis. Green banking promotes a cleaner, sustainable future. Indian banks prioritise corporate social responsibility, with green banking being a key component. Banks can play a crucial role in implementing green banking practices nationwide. This paper analyses consumer awareness of green banking services offered in Rajasthan, India. (Rodrigues, 2019) researched Environmental management through Sustainable banking. This study has been done on Sustainable banking practices concerning SBI. This study evaluates environmental management practices and their impact on Sustainable banking in SBI. As this is a conceptual paper, descriptive analysis has been done. This article contains both qualitative and quantitative analysis. Green banking practices promote Sustainability and enhance asset quality for banks. State Bank of India has implemented paperless banking options to contribute to the environment and encourage socially responsible investments. This paper showcases SBI's green banking initiatives and their environmental benefits.

(Anjanappa, 2024) examines the challenges associated with decarbonising the Indian banking sector, a critical step in India's commitment to the Paris Agreement. The study identifies obstacles such as regulatory uncertainties, the need for standardised Environmental, Social, and Governance (ESG) metrics, and the high costs of transitioning to sustainable models. It suggests that addressing these challenges requires collaborative efforts among stakeholders and the development of clear guidelines to facilitate the decarbonisation process. (Kishore Kumar & Ajai Prakash, 2019) propose a Global Reporting Initiative (GRI)-G4-based hybrid framework to assess the sustainability disclosure practices of Indian commercial banks. Their study investigates 28 banks, evaluating their contributions to environmental, economic, social, and governance indices. The findings indicate variability in sustainability performance among banks, highlighting the need for standardised reporting practices to enhance transparency and comparability.

Research Gap

Although sustainability adoption and its opportunities have been widely studied across advanced and emerging economies, research focusing specifically on the Indian banking sector remains limited. In particular, the relationship between environmental concerns and banks' commitment to sustainability has not been thoroughly explored. Moreover, many existing studies overlook a holistic perspective that

considers both banks and their customers, creating a population gap. From a methodological standpoint, while some frameworks have been proposed, little empirical research has applied Structural Equation Modelling (SEM) to examine perceived environmental commitment, behavioural intention, and actual use of sustainable banking practices by customers in the Indian context. Conceptually, most literature highlights external drivers such as regulatory pressures and market demand, but there is limited understanding of how the perceptions of banks and customers influence sustainability-related decision-making. This study aims to address these gaps by theoretically and empirically investigating the factors shaping the intention to adopt sustainability in banking operations.

Statement of the problem:

At the beginning of January 2022, a survey conducted by the Reserve Bank of India of 34 scheduled commercial banks comprising public sector, private sector, and foreign banks had a significant presence in India. The key learnings and suggestions from the survey provided a comprehensive picture of the approach, risk management, level of preparedness, etc., concerning climate risk and sustainable finance. According to the report, very few banks have adopted the sustainable banking system, and many customers remain unaware of the products/services offered by sustainable practices. There is still a lack of research and awareness regarding corporate policies, employee development, and customer-related operations for the banks. Customers, shareholders, employees and regulators are putting more pressure on banks to deliver results by demanding a firm commitment to ESG priorities. Banking has reached a green inflation point due to pressure from every angle.

The RBI survey indicates a gap in the institutional preparedness and a lack of awareness and usage among the customers. A comprehensive study analysing the adoption level by the banks, the benefits and challenges faced by them while adopting sustainable banking practices is required. It is also essential to understand the awareness and usage level, the factors influencing the customers to switch to sustainable banking practices. Such research will provide insights into current gaps, highlight best practices, and suggest pathways for strengthening the role of banks in advancing sustainability. It will also contribute to policy discussions, enhance customer engagement, and support the alignment of the banking sector with India's broader sustainable development goals. It is essential to evaluate the perception of banks and customers towards the adoption of sustainable banking practices in India to address the more significant concerns of stakeholders and society.

Research Questions:

RQ: 1 How far is the Indian Banking sector driven to sustainability?

RQ: 2 How well have sustainable banking practices reached the public?

RQ: 3 What factors encourage customers to adopt sustainability in their banking operations?

RQ: 4 What benefits does sustainable banking bring to customers and banks?

RQ: 5 What are the challenges, if any, faced by the customers and banks concerning sustainable banking?

Objectives of the study:

- To identify the sustainable practices adopted by the Indian banking sector.
- To assess customers' awareness and usage of sustainable banking practices.
- To analyse the factors influencing the customer's behavioural intention to use and actual use of sustainable banking practices.
- To examine the benefits of adopting sustainable banking practices for banks and customers.
- To understand the challenges banks and customers face in adopting sustainable banking practices.

Hypotheses:

$H_0$1: There is no significant difference in the sustainable banking practices adopted by public sector and private sector banks.

$H_0$2a: There is no significant difference between the socio-demographic profile of customers and their awareness of sustainable banking practices

$H_0$2b: There is no significant difference between the socio-demographic profile of customers and their usage of sustainable banking practices.

H3a: Perceived usefulness significantly influences the customers' Behavioural intention to use sustainable banking practices.

H3b: Perceived ease of use significantly influences the customers' Behavioural intention to use sustainable banking practices.

H3c: Perceived environmental commitment significantly influences the customers' Behavioural intention to use sustainable banking practices.

H3d: Perceived environmental commitment directly and significantly influences the Actual use of sustainable banking practices.

H3e: Behavioural Intention towards sustainable banking significantly influences the actual use of such practices.

Scope of the study:

The scope of the present study lies within the broader domain of sustainability, with a concentrated emphasis on the adoption of sustainable practices in the banking sector. The research is confined to both public and private sector banks operating in India, thereby ensuring a comprehensive understanding of how sustainability is being incorporated across diverse organisational structures. The unit of analysis primarily includes managerial-level employees, whose decision-making authority

significantly influences the strategic integration of sustainability, as well as bank customers, whose acceptance and participation are essential for the successful implementation of sustainable banking initiatives. Geographically, the study is restricted to India, acknowledging the contextual specificities of its regulatory frameworks, cultural dimensions, and financial systems. Temporally, the study spans the period from 2015 to 2024, a decade characterised by the increased global and national emphasis on sustainable development goals and green finance, thereby allowing for a meaningful examination of patterns and changes over time. Theoretically, the study is underpinned by the Technology Acceptance Model (TAM) and the Value-Belief-Norm (VBN) theory, which collectively provide a robust lens to explore the drivers of adoption, individual acceptance of sustainable banking practices, and the role of values and beliefs in shaping environmentally responsible behaviour. The conceptual framework is primarily grounded in TAM, facilitating a structured analysis of perceived usefulness, perceived ease of use, and behavioural intention in the context of sustainable banking adoption.

Significance of the study:

The current study examines the role of adopting sustainability in Banking, shedding light on how this action contributes to informed investment decisions and drives positive changes in corporate behaviour. It investigates the factors influencing the customers' behavioural intention to adopt and actual use of sustainable banking practices, grounded in the Technology Acceptance Model (TAM). This aims to differentiate from previous research by analysing this through an SEM model, which will be helpful for the banks and the policy makers to understand the factors influencing the customers to switch to sustainable practices from the traditional banking operations method. How to enhance the trust and assure security in their operations and improve their loyalty towards the banks, and retain the customers for the long term. This research provides suggestions for Indian financial institutions looking to improve their sustainability initiatives by implementing an ESG framework. It helps the banks to understand the benefits and the challenges of synergising sustainability within and beyond their daily operations. This study emphasises the efficiency of the Indian banking system in adopting the go-green concept, which will contribute to future development by expounding on the global sustainability initiative and the Indian banks' contribution to that account.

The study's findings are meant to assist policymakers in comprehending the effectiveness of Sustainable banking services. It will also help them to identify areas that need extra care and improvement, and this study opens up an opportunity to learn about their customers. It will assist the government in creating better regulations that will aid the banking sector in implementing these technology-based services successfully. Furthermore, the result of this study also serves as a basis for additional research in Sustainable Banking. The intense competition in implementing sustainable practices needs to be studied. The different kinds of sustainability practices adopted and their success in fulfilling customer requirements are yet to be examined. This study will be an alarm to the Banks, Government, policymakers, and stakeholders, not just to think about their mitigation but also about

what they can do to adapt, to make their banks resilient and to make society and the environment Sustainable. It is the right time to analyse how far Indian banks have adopted Sustainable practices, as we have travelled halfway (2015-2024), and how we will rally at the halfway point of the 2030 Agenda?

Theoretical framework:

The Technology Acceptance Model(TAM):

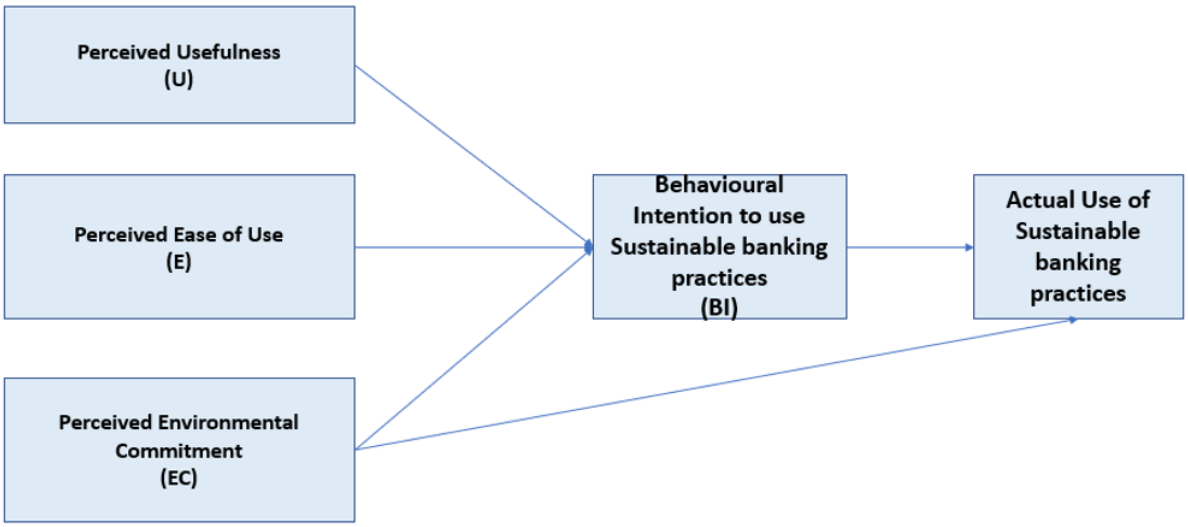
TAM is a theoretical framework developed by. This offers a cognitive perspective, focusing on how individuals' internal evaluations influence adoption behaviour. TAM suggests that the factors influencing the customers to adopt sustainable banking practices are primarily shaped by two key perceptions: perceived usefulness and perceived ease of use. TAM is the primary theoretical framework for this research. In the context of sustainable banking, the adoption and use of sustainable practices by customers is often driven by the belief that such actions align with their personal values, enhance their sense of social responsibility, and contribute to broader environmental goals.

TAM assesses how external factors associated with the novel technical idea affect an individual's inner convictions, aptitudes, attitudes, mindsets, and intentions. As a result, one of the benefits of utilising TAM is that it more accurately forecasts the adoption and rejection of contemporary technology relative to the people being studied, and according to (Olushola, T.; Abiola, 2017) Applying the Technology Acceptance Model (TAM) to the relevant areas where technology is intended aids in creating a user-friendly system that encourages people to engage and adhere to the use of technology. Nevertheless, it is verified that this framework offers less than anticipated to address the variation in IT systems when outside influences are present, which are affected by Perceived Usefulness (PU), Perceived Ease of Use (PEU), or any other factor.

The Value-Belief-Norm (VBN) Theory:

The Value-Belief-Norm (VBN) theory, developed by (Stern, Paul C.; Dietz, Thomas; Abel, Troy; Guagnano, Gregory A.; Kalof, 1999), provides a psychological framework for understanding how personal values and moral beliefs influence pro-environmental behaviour. The theory adopts a normative perspective, positing that individuals' environmental concerns, ethical orientations, and value-driven beliefs—such as awareness of environmental consequences and a sense of personal responsibility—activate personal norms that create a moral obligation to act in environmentally responsible ways. In the context of sustainable banking, VBN theory explains why customers who perceive their bank as being environmentally committed may feel a moral duty to support its sustainability initiatives. VBN suggests that one of the factors influencing the custoemrs to adopt sustainable banking practices to adopt sustainable banking practices is perceived environmental commitment.

Conceptual Framework of the study:



Constructs	Sources
Perceived Usefulness	Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly, 13*(3), 319–340.
Perceived Ease of use	Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly, 13*(3), 319–340.
Perceived Environmental Commitment	Stern, P. C., Dietz, T., Abel, T., Guagnano, G. A., & Kalof, L. (1999). A value-belief-norm theory of support for social movements: The case of environmentalism. *Human Ecology Review, 6*(2), 81–97.
Behavioural Intention to use Sustainable banking practices	Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly, 13*(3), 319–340.
Actual Use of Sustainable banking practices	Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly, 13*(3), 319–340.4(1), 3.

Research Methodology:

Research design:

An explanatory and descriptive design is adopted for the study. The research strategy is a survey method, and primary data is used for the analysis. The research employs a quantitative approach,

utilising a well-structured questionnaire from 850 bank branches and 1150 customers across India, determined through a proportionate sampling technique. Grounded in the TAM and VBN, the study uses Structural Equation Modelling to analyse the structural relationship of the independent variables- Perceived ease of use, Perceived usefulness, and Perceived environmental commitment- on the dependent variable-behavioural intention to use and actual use of sustainable banking practices.

The locale of the study is India. Out of 12 public sector banks and 21 private sector banks, five public sector and five private sector banks are selected based on market capitalisation and the presence of branches throughout the country (Source: Annual report FY 2022-'23). These aspects have been combined to establish major financial institutions that will represent the state of banking throughout the economy.

The officials working in Indian commercial banks (both public and private sector banks) operating in India were considered the sample size for this study. The officials were restricted to the managerial level, as they are involved in the planning and execution of decisions in banking operations, and customers were identified with the help of the bank managers. These respondents were approached conveniently. Due to the high volume of sample size and time constraints involved in a physical survey throughout the country, the questionnaires were distributed through virtual communication mediums like email and LinkedIn and collected from July 2023 to August 2024 and collected in person wherever possible. The respondents. Normally, research in social science would be based on samples that perfectly represent the targeted population. However, it may not be feasible for the researchers to collect the responses due to the size of sample size and the locale of the study, and if looking for a specific response, forcing them to depend on a convenience method.

Selected banks for the study

List of scheduled Public Sector Banks	**List of scheduled Private Sector Banks**
State Bank of India	HDFC
Bank of Baroda	ICICI
Punjab National Bank	Axis
Indian Overseas Bank	Kotak
Canara Bank	IndusInd

Source: Reserve Bank of India (https://m.rbi.org.in/scripts/bs_viewcontent.aspx?Id=3657)(Reserve Bank of India, n.d.)

Determination of sample size:

		Banks	**Customers**
Total population		90,674 branches across India	108,60,00,000 (1.086 billion) across India
Step 1: Calculation of sample size using Cochran's formula for ideal sample size			
z	Z value extracted from the z-table	1.96 Table value- 95% confidence interval	1.96 Table value- 95% confidence interval
P	Assumed proportion (population proportion)	0.5 is for 50%	0.5 is for 50%
e	Margin of error	0.0335 (3.35% margin of error)	0.03 (3 % margin of error)
n_0	Cochran's sample size was computed using the formula for the ideal sample size.		
$n_0 = \frac{z^2 \cdot p \cdot (1-p)}{e^2}$		855.75	1067.1
Step 2: Calculation of sample size using Cochran's modified formula for a finite population			
N	The size of the population	90,674	108,60,00,000 (1.086 billion)
$n = \frac{n_0}{1 + \frac{n_0 - 1}{N}}$		847.5 Calculated sample size=**848**	Calculated sample size=**1067**
Resulted sample size		**850**	**1150**

Data collection methods

Two well-structured questionnaires using a Likert scale are prepared. One is to get the perception of the Bank (institutional perspective), and the other is for the bank customers (individual perspective). Relevant literature was gathered regarding the constructs in the proposed model -Perceived ease of use, Perceived usefulness and Perceived environmental commitment and demographic profile of the respondents were included in the questionnaire. The questionnaires were validated by five experts,

consisting of 2 Academic experts from the Higher education industry (Professors who have expertise in the field of sustainable banking), 2 managerial-level employees from Banks (one from a public sector bank and one from a private sector bank) and one statistical analyst (who possesses a PhD in statistics), suggested that the questionnaires are reliable and the data collected can be utilised to answer the Research questions and examine the Hypothesis. Then, a pilot study was conducted to identify the most significant questions for the study, and the questionnaires were further developed. These questionnaires were administered among the bank managers and bank customers to measure the adoption of sustainability in the banks across India from July 2023 to August 2024, both online and in person. The final data collection activity has been spread over one year, primarily to have sufficient time to collect data from managers and customers. Having almost a year for the survey has allowed for data collection and provided respondents with sufficient time (5-7 days) to complete the survey. A longer timeframe is also permitted for selecting different respondents from each group if the primary respondent could not complete the survey within the provided timeframe or provided incomplete survey results. Additionally, customers with primary or same-frequency bank accounts in two major banking institutions were excluded. This led to the further need to identify and collect data from other customers. Thus, proper steps have been taken to ensure that sample respondents represent the opinion of the population being considered for the study.

Audited Sustainability Report published along with the audited financial statements at the end of every financial year by the selected banks, and the announcements by RBI, related to Environmental and Social Sustainability are also referred to as secondary data.

Research framework for the analysis:

Objectives	Tools used
Sustainable practices adopted by the Indian Banking sector	• Descriptive analysis • Independent t-test
Customers' awareness and Usage of Sustainable Banking practices	• Descriptive analysis • Independent t-test • ANOVA
The factors influencing the customer's Behavioural Intention to use and Actual Use of Sustainable Banking practices	• Descriptive analysis • SPSS AMOS
The benefits of Sustainable banking for banks and customers	• Descriptive analysis
The challenges banks and customers face in adopting sustainable banking	• Descriptive analysis

Key findings:

- Indian banks have increasingly adopted sustainability in their operations. Commonly adopted practices include digital banking and e-statements to reduce paper usage, financing green projects and renewable energy sectors, green building certifications for bank branches and solar-powered ATMs.
- Public sector banks focus more on regulatory compliance, while private sector banks are leading in voluntary green initiatives. Compared to public sector banks, Private sector banks tend to be more proactive and innovative in adopting green policies. The access to green financial products (like loans for EVs or solar panels), energy-efficient purchases and investments led to a sense of contribution to environmental sustainability.
- Customers report limited awareness, lack of proper education in sustainable banking practices and digital divide (especially in rural areas), concerns over data privacy and digital transaction safety and scepticism about bank motives.
- Customers perceive benefits such as convenience, a secure and paperless banking experience, and alignment with personal environmental values.
- Banks face barriers such as high initial investment in technology and green infrastructure, a lack of standardised policies, high implementation costs, and inadequate training of employees. Absence of unified sustainable banking guidelines is also a challenge faced by the banks.
- Both banks and customers express the need for better incentives and clearer communication of sustainable practices.

Theoretical implications of the study:

The theoretical implication of this study lies in its integration of the Technology Acceptance Model (TAM) and the Value-Belief-Norm (VBN) theory to explain the adoption of sustainability in the Indian banking sector. By applying TAM, the research highlights how perceptions of usefulness, ease of use, and shape the adoption of sustainable banking practices among both banks and customers. Simultaneously, the incorporation of VBN theory provides a normative lens, showing how values, environmental commitment, and moral responsibility influence stakeholders' willingness to engage with eco-friendly banking initiatives. Together, these frameworks advance the understanding of how rational, technology-oriented decision-making intersects with ethical and value-driven motivations in shaping sustainable banking behaviour. This dual-theory approach contributes to the development of a new paradigm that connects sustainability, financial performance, and environmental responsibility within commercial banking, offering new conceptual insights for future academic inquiry and practical applications in the sector.

Implications for the policy and practice:

The study provides significant implications for both policy and practice by demonstrating how sustainability adoption can be effectively embedded within the Indian banking sector. From a policy perspective, the findings suggest the need for regulatory frameworks and incentive mechanisms that encourage banks to integrate eco-friendly practices while aligning with national and global sustainability goals. For practitioners, the research offers guidance on developing strategic approaches that balance financial performance with environmental responsibility, thereby enhancing competitiveness and customer trust. Additionally, the study underscores the importance of technological innovation, resource allocation, and consumer engagement in advancing sustainable banking practices. By linking institutional strategies with societal values and environmental imperatives, the research informs policymakers, regulators, and banking professionals on how to strengthen sustainable growth in the sector.

Conclusion:

To conclude, adopting sustainability in the Indian banking sector represents a pivotal shift in the industry's ethos. It reflects a proactive response to pressing ESG challenges while seizing opportunities for responsible growth. Sustainability must be considered while planning and executing banking processes and business activities. The banking sector's role in promoting sustainability aligns with India's broader goals of sustainable development, economic inclusivity, and environmental stewardship. As sustainability continues to gain prominence, Indian banks are poised to play an increasingly influential role in developing a more equitable, resilient, and sustainable future for the nation. This transition signifies a commitment to responsible banking and acknowledging the interconnectedness between financial success and societal well-being. Banks have recognised their role in promoting social inclusivity and addressing societal challenges, actively involved in financial inclusion efforts, striving to provide banking services to underserved and marginalised communities. This commitment aligns with India's larger goals of reducing economic disparities and fostering equitable growth. As customers, it is our individual and collective responsibility to work together effectively and contribute to the global efforts to mitigate the risks associated with climate change and ensure that the Indian financial system remains resilient.

Limitations of the study:

The respondents for this study were confined to the managerial-level employees in the bank and its customers only. Restricting the geographical area of this research to 28 states in India, not considering the union territories. The data and the conclusions of this research apply within these boundaries;

outside those boundaries, it can be questioned whether the results will apply. The study is confined to the sustainable banking practices adopted by the banks. The study did not consider the quantitative aspects of the sustainable practices of banks.

Scope for further research:

In future studies, other stakeholders, levels of management and public policy analysts can be included. Different regions/countries/industries can be considered. A cross-country comparison would help show how different regulations and cultural contexts affect sustainability integration. Further studies can help to develop and assess the model by adding institutional pressures, regulatory framework and stakeholders' expectations, trust or ethical motivations as moderating and controlling variables.

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